

EXHIBIT VI

Higher Education

Attached:

- Higher Education in Idaho: A Plan for the Future
(a 1983 study)

*Steve
Ahrens*

HIGHER EDUCATION IN IDAHO: A PLAN FOR THE FUTURE

RECOMMENDATIONS

OF THE



IDAHO TASK FORCE ON HIGHER EDUCATION

NOVEMBER 1983

ENDORSEMENT OF THE RECOMMENDATIONS
OF THE IDAHO TASK FORCE ON HIGHER EDUCATION
BY THE IDAHO ASSOCIATION OF COMMERCE & INDUSTRY

At a meeting of the Board of Directors of the Idaho Association of Commerce & Industry on December 8, 1983, the following resolution was adopted:

Resolved:

That the Board endorses the recommendations of the Idaho Task Force on Higher Education contained in its report, Higher Education in Idaho: A Plan for the Future, and urges the adoption of the recommendations as the long-range higher education policy of the state of Idaho; and

That the Board further urges the Legislature to take action to implement the Task Force recommendations as set out in the Task Force's plan of implementation, including broad-based funding to an extent consistent with the fiscal capacities of the state of Idaho.

HIGHER EDUCATION IN IDAHO: A PLAN FOR THE FUTURE

RECOMMENDATIONS

OF THE

IDAHO TASK FORCE ON HIGHER EDUCATION

NOVEMBER 1983

Idaho Task Force on Higher Education

P.O. Box 389
Boise, Idaho 83701
(208) 343-3698

November 21, 1983

The recommendations of the Idaho Task Force on Higher Education contained in this report are the result of almost two years' effort. As chairman of the Task Force, I wish to express my deep appreciation to the Task Force members, the advisory members and the Task Force consultants for the countless hours of dedicated work which have gone into the Task Force study and deliberations.

On behalf of the Task Force, I wish to express its grateful thanks to the Governor, the Legislature, the members and staff of the State Board of Education, the State Superintendent of Public Instruction and to the many concerned citizens of Idaho, particularly those in the education and business community, for their support, advice and counsel in this undertaking. Our special appreciation is extended to the board of directors and members of the Idaho Association of Commerce and Industry for establishing the Task Force and for contributing the funds necessary for its operation.

This report is respectfully submitted to the Governor, the Legislature, the State Board of Education, the State Superintendent of Public Instruction and to the people of Idaho with the earnest request that the Task Force recommendations it contains be acted upon expeditiously and implemented in due course.

The Task Force believes that its recommendations provide the essential elements of a plan which, if adopted, can ensure that Idaho will achieve and maintain excellence in its postsecondary education system for decades to come.

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Chairman

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use

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use

Jerry G. Selland
use

Raymond A. Smelek
use

Re A. Vickers
use

Ann Willis
use

SECRETARY
Constance M. Arana
use

Member of Executive Committee

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The Task Force's recommendations are designed to address a few broad policy areas. These areas were selected because they were deemed most important, they were believed, in most cases, to have the greatest long-term impact on Idaho's postsecondary education system. All issues could not be addressed.

The policy areas covered by these recommendations are inter-related. The Task Force expended effort studying the relationship between such areas as admissions standards and institutional roles, tuition and student financial aid, and governance and public financial support. The Task Force views its recommendations as an integrated package. All of the recommendations need to be implemented in due course in order to assure that educational quality and equity of funding are improved. When implemented, they will provide the framework within which Idaho will be able to reverse the trend of deteriorating quality and improve equity; it will be able to achieve and maintain excellence in the system for decades to come; it will be able to be responsive to the population growth expected; it will be able to utilize its available resources most effectively; and it will distribute the burden of funding the system equitably.

The Task Force recommendations are designed to benefit the state as a whole and not at the undue expense of any institution, any one region or any particular constituency.

I. SUMMARY OF RECOMMENDATIONS

FACULTY

The Task Force believes that salaries for many faculty members are inadequate and that additional support must be provided as promptly as possible in order to retain and attract highly qualified people.

It is strongly recommended that salary levels be raised sufficiently to make them at least competitive with comparable institutions in the region. The Task Force also believes that a significant portion of periodic salary increases, once competitive levels are achieved, should be based on merit. The Task Force recommends that additional funds for faculty travel and sabbatical leave be provided because these are important factors of professional development. The Task Force supports the concept of tenure, but recommends that tenure policy be modified to permit institutions to release faculty when reductions in particular programs are made. The Task Force endorses the actions taken in 1983 by the State Board of Education in modifying tenure along the lines recommended above.

FACILITIES, BUILDINGS AND EQUIPMENT

The State Board of Education recently concluded a multi-year financial study which found that investment in the areas of laboratory equipment, library collections and preventive maintenance of facilities and buildings at the state's universities, four-year college and community colleges had been inadequate. Also, the application of high technology in current programs has been neglected.

The Task Force adopts the conclusions of the multi-year financial study and recommends that these deficiencies be corrected.

GOVERNANCE

The Task Force believes that Idaho's governance system for postsecondary education should be modified without delay to assure that the issues facing higher education in Idaho are addressed comprehensively and with the attention they require.

The Task Force recommends that a Board of Regents, separate from the Board of Education, be established to govern the public universities and to coordinate the community college system. The Task Force believes the issues facing primary, secondary and postsecondary institutions (public schools and higher education) are not similar in nature and that the complexities and difficulties of each, and the time commitment which must be made to each, warrant separate governing boards. The Task Force believes that a Board of Regents with a strong executive director and adequate staff will be able to be an advocate for higher education

in Idaho, will be able to address the issues facing postsecondary education with the attention they require, and will be able to plan for the future.

TUITION

The Task Force believes that students attending Idaho's four-year public institutions should pay a fair part of the costs of their education, and that an amendment to Idaho's constitution should be put to the people which would clearly permit tuition at all public institutions of postsecondary education. The Task Force recognizes that students currently pay fees, and tuition would be in lieu of the majority of these fees except those for special purposes such as athletics and laboratory fees. Tuition would be used for instructional costs; currently fees cannot be used for instructional costs.

The Task Force recommends that tuition be gradually increased to a maximum of one-third of the cost of education and that additional fees be kept as low as possible. While it is anticipated that students will pay somewhat more to obtain their postsecondary education, it is also recommended that the state substantially expand its student financial-aid programs to assure the continuation of a high level of access to postsecondary education opportunities for qualified students with the greatest need and to recognize demonstrated academic achievement.

ADMISSION STANDARDS

The Task Force recommends that Idaho's public universities raise their entrance standard above the current level, which requires an Idaho student to possess only a high school diploma (out-of-state students must be in the upper half of their high school graduating class).

Admission of Idaho students to the universities should be based on high school academic performance, test scores and other factors in order to assure the most effective use of public funds at those institutions. These requirements should be phased in over several years to afford current high school students an opportunity to adjust to them.

The Task Force recognizes, however, that broad access to the postsecondary education system should be retained. The Task Force therefore recommends that any Idaho student with a high school diploma or its equivalent be granted admission to a statewide system of community colleges. While the community colleges should provide open access, entering students to those institutions should be evaluated and remedial instruction, if needed, should be provided.

The Task Force also recommends that there should be progress standards which students should meet in order to participate in the upper division of the universities.

INSTITUTIONAL ROLES AND MISSIONS

The Task Force has carefully examined the system of postsecondary education in Idaho and determined that the role and mission statement of each institution needs to be clarified and the purpose of each institution clearly defined.

The Task Force also believes that excellence in higher education in Idaho cannot be achieved unless the community college function is separated from the universities and embodied in a well-designed community college system. Open admission, broad vocational education programs and extensive remedial educational programs are incompatible with the requisites of a strong university.

Further, it is simply unfair that some communities in Idaho pay to provide a community college serving their communities while other nearby areas don't pay their fair share. Moreover, in other regions of the state, the community college serving the local community is essentially paid for entirely by the state.

The Task Force therefore recommends that:

- The role and mission statement of each college and university be clarified to specify the purpose of each institution and to identify what it can and cannot do.
- A statewide community college system be organized.
- None of the universities serve as community colleges.
- New community colleges be created over the next decade or so in the Boise/Nampa/Caldwell, Pocatello and Idaho Falls regions.
- Lewis-Clark State College serve as the community college for its region.
- All community colleges be governed by locally elected boards, coordinated by the State.
- All postsecondary vocational education preparatory and upgrading/retraining programs be delivered through the community college system, as traditionally funded, and with the State coordinating programs.
- The local support provided each community college be provided by all its community college district on an equitable basis.

The Task Force further recommends that the upper division of Lewis-Clark State College be continued with state financial support.

In addition, the Task Force believes that a review of the programs at the various institutions should be undertaken by the institutions and the state governing board. As a result of this review, the Task Force believes savings could result from the consolidation of some programs at one or more institutions and the elimination of some programs not serving a demonstrated need or having an adequate cost-benefit relationship.

FUNDING

The Task Force recognizes that funding for higher education has been severely restricted in recent years. Passage in 1978 of the 1% property tax limitation initiative led to diversion of substantial state funds to replace some of the lost local property tax revenues supporting public schools, thereby diluting available aid for higher education. Inflation and recession have also hurt higher education.

Idaho must increase state funding for its universities and colleges. Additionally, increased financial contributions from students and greater local financial support are needed to achieve and maintain a quality system.

The Task Force believes that some of its recommendations should be implemented as soon as practical; other recommendations should be phased in over a period of years. This orderly implementation would apportion the costs of total implementation of the recommendations over several years. Costs also would be spread across a broad base of support to avoid placing an inequitable burden on any one segment of Idaho's economy.

II. BACKGROUND

The Idaho Task Force on Higher Education was established in 1982 by the Idaho Association of Commerce and Industry with the support of the Governor, the Legislature, the State Board of Education and the State Superintendent of Public Instruction.

The Task Force was formed for the purpose of undertaking a comprehensive study of Idaho's postsecondary education system and formulating recommendations based on that study. The objective of the recommendations is to assure that Idaho's postsecondary education requirements are met for the coming decades, that Idaho achieves and maintains high standards of excellence in its postsecondary education system, that the state prudently utilizes its available resources and that the financial burden of supporting postsecondary education is equitably distributed.

The Task Force's 35 members are business, government and educational leaders from all regions of the state. They include the people listed on the following pages:

John E. Clute
Task Force Chairman
Senior Vice President, Human
Resources & General Counsel
Boise Cascade Corporation
Boise

Myron L. Coulter
President
Idaho State University
Pocatello

Janet Hay
State Board of Education
Nampa

F. Melvin Hammond
Task Force Vice Chairman
Idaho State Representative
Rexburg

Linda S. DeRosier
Chair, Department of
Psychology
The College of Idaho
Caldwell

Richard C. Heimsch
Department of Bacteriology
and Biochemistry
University of Idaho
Moscow

A. L. Alford, Jr.
Editor and Publisher
Lewiston Morning Tribune
Lewiston

Norma Dobler
Idaho State Senator
Moscow

Kenneth M. Hollenbaugh
Associate Executive
Vice President
Boise State University
Boise

Andrew Artis
President, 1981-1982
Associated Students,
University of Idaho
Moscow

Sister Lillian Englert
College of St. Gertrude
Cottonwood

Dan Kelly
Idaho State Representative
Mountain Home

John M. Barker
Idaho State Senator
Buhl

Jerry L. Evans
State Superintendent
of Public Instruction
Boise

Ronald C. Martin
Chairman of the Division
of Social Science
Ricks College
Rexburg

Task Force Members (continued)

J. Grant Bickmore Vice Chairman of the Board Idaho Bank & Trust Pocatello	John Forbes Plant Manager Tupperware Jerome	Harvey W. Mauth Chairman of the Board Rogers Brothers Seed Company Idaho Falls
David Borrer Senator, 1981-1982 Associated Students University of Idaho Moscow	Richard D. Gibb President University of Idaho Moscow	Gerald R. Meyerhoeffer President College of Southern Idaho Twin Falls
R. M. Chastain Vice President, Civil Affairs Morrison-Knudsen Co., Inc. Boise	Wm. A. Griffith President Hecla Mining Company Wallace	Richard K. Moore Chairman, Faculty Senate Division of Social Science Lewis-Clark State College Lewiston
Bruce E. Colwell Group Vice President - Northwest Lumber Division Diamond International Corp. Coeur d'Alene	Marilee Gross President Boise School Board Boise	James R. Morris Vice President, Western Wood Products Potlatch Corporation Lewiston
Robert J. O'Connor President & Chief Operating Officer Idaho Power Company Boise	Barry G. Schuler President North Idaho College Coeur d'Alene	Lee A. Vickers President Lewis-Clark State College Lewiston
F. Edward Osborne Vice-President Ore-Ida Foods, Inc. Boise	Larry G. Selland State Administrator Division of Vocational Education Boise	JoAnn Willis Associate Academic Dean Northwest Nazarene College Nampa
L. N. Purdy Chairman of the Board, 1982- 1983, Idaho Association of Commerce and Industry President Picabo Livestock Co. Picabo	Raymond A. Smelek General Manager, Boise Division Hewlett-Packard Boise	

Advisory Task Force members who assisted the Task Force include:

Steve Ahrens Idaho Manager/Governmental Affairs Boise Cascade Corporation Boise	Marlyss Fairchild President, 1981-1982 Associated Students Boise State University Boise	E. R. Rowe Office of Academic Affairs and College of Education Idaho State University Pocatello
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Advisory Task Force Members (continued)

Constance M. Arana
Task Force Secretary
Education Director
Idaho Association of Commerce
and Industry
Boise

Pat Harwood
President
Idaho Association of
Commerce and Industry
Boise

Milton Small
Retired-Executive Director
Office of State Board of
Education
Boise

J. Randolph Ayre
Vice President, Legal
Boise Cascade Corporation
Boise

Todd L. Maddock
Director of Public Affairs
Northwest Region
Potlatch Corporation
Lewiston

J. Kirk Sullivan
Vice President
Governmental &
Environmental Affairs
Boise Cascade Corporation
Boise

Jerome E. Beeson
Audit Partner
Touche Ross & Company
Boise

Charles D. McQuillen
Executive Director
Office of State Board
of Education
Boise

Barbara R. Swaczy
Special Assistant
Office of the Governor
Boise

Robert P. Carlile
Audit Manager
Arthur Andersen & Co.
Boise

Merle Parsley
Special Assistant
Office of the Governor
Boise

Deanna Weaver
President
Associated Students
Boise State University
Boise

Staff:
Joanne Elwood
Executive Secretary
Boise Cascade Corporation
Boise

The Task Force retained a consulting organization of prominence in the field of education -- the Education Commission of the States, Denver, Colorado (ECS) -- and a team of nationally recognized experts on postsecondary education to assist it in its work. The consultants include:

Gordon Van de Water, Ph.D ECS staff

John Augenblick, Ed.D. ECS staff

In the fall of 1983, Dr. Van de Water and Dr. Augenblick formed their own consulting firm, Augenblick, Van de Water & Associates Inc. which provides education policy and planning services.

Charles Odegard, Ph.D President Emeritus of the University of Washington; and former President of that university

W. O. (Fred) Jacobs Executive Vice President and Chief Operating Officer, Mountain Bell, Denver

Patrick M. Callan Director, California Postsecondary Education Commission

Joseph Cosand Emeritus Professor, Center for the Study of Higher Education, University of Michigan

Lyman Glenny, Ph.D Professor, Program in Higher Education, University of California, Berkeley

C. Gail Norris Deputy Commissioner for Finance, Utah State Board of Regents, former Executive Director, Washington Council for Postsecondary Education

Marvin W. Peterson, Ph.D Director, Center for the Study of Higher Education, University of Michigan

David Young, Ph.D Higher Education Associate, Oregon Educational Coordinating Commission

The Task Force has collected and analyzed extensive data and most prior reports relating to postsecondary education in Idaho, as well as extensive data from other states. It interviewed more than 100 government and education leaders in the state. It

held public meetings throughout the state and considered more than 250 statements of concerned citizens submitted in connection with those meetings in order to identify those issues which it should address as well as how those issues should be addressed.

Based upon this comprehensive study of postsecondary education, the Task Force identified those major policy issues which it considered most important to study. Many other issues, although important to Idaho, were considered to be of secondary importance to these major policy issues, and, of necessity, the Task Force limited deliberations to those issues of greatest concern.

Members of the consulting team have participated in all activities of the Task Force and have provided the Task Force their expert views on all subjects reviewed. In March 1983, ECS submitted a report to the Task Force. The report, The Future of Higher Education in Idaho, discussed the major issues facing postsecondary education in Idaho as identified by the Task Force, described the options which were available for dealing with those issues and contained recommendations for the future.

After eight months of study and intensive discussions, the Task Force adopted preliminary recommendations in April 1983. In all substantial elements, the preliminary recommendations of the Task Force were in agreement with the recommendations of the ECS report.

The Task Force's preliminary recommendations were circulated widely throughout the state, and comments were solicited on them. Eight public information meetings were held in all regions of the state to obtain public input. Approximately 370 citizens of Idaho attended these meetings and many offered comments on the preliminary recommendations; over 60 written statements were submitted. The Task Force reconsidered the preliminary recommendations in light of all comments received, modified them where it believed it appropriate to do so and on November 15, 1983, adopted the final recommendations contained in this report.

The Task Force will work for the prompt adoption and implementation of these recommendations in accordance with the plan of implementation described in Part IV.

III. RECOMMENDATIONS OF THE TASK FORCE

The following discussion outlines the recommendations of the Task Force. Summary background information is provided to describe the current situation in Idaho and to support the recommendations. A plan for implementing the recommendations is in Part IV.

FACULTY

Higher education is a labor-intensive enterprise. People, much more than capital investments, make the system function. The majority of the funds allocated by the state to colleges and universities are used to compensate faculty and staff. In fiscal year 1982, \$66.5 million or 78% of total state appropriated general education funds for higher education were expended for personnel costs.

Despite this seemingly large share of funds for faculty and staff compensation, faculty salary levels in Idaho are significantly lower in comparison to those of other states and the situation has become progressively worse over time.

In 1981-82, a professor in a public four-year institution in Idaho earned between 86% and 92% of what a colleague at a peer institution earned. Seven years earlier, a professor in Idaho earned between 94% and 99% of what a colleague at a peer institution earned (see Table 1).

Table 1. AVERAGE SALARIES OF FACULTY AT IDAHO INSTITUTIONS OF HIGHER EDUCATION COMPARED TO NATIONAL AND REGIONAL PEER GROUPS BY RANK OF FACULTY, 1981-82

Institution	Academic Rank			
	Professor	Associate Professor	Assistant Professor	Instructor
University of Idaho				
Average salary	\$29,901	\$23,793	\$19,757	\$17,786
Average salary of regional peers	\$33,916	\$25,956	\$21,534	\$17,211
Quintile of national peers	5	5	5	2
Boise State University				
Average salary	\$26,585	\$22,393	\$18,723	\$16,342
Average salary of regional peers	\$30,523	\$25,254	\$21,106	\$17,248
Quintile of national peers	4	4	4	2
Idaho State University				
Average salary	\$28,110	\$22,999	\$18,899	\$17,476
Average salary of regional peers	\$30,523	\$25,254	\$21,106	\$17,248
Quintile of national peers	3	4	4	2
Lewis-Clark State College				
Average salary	\$24,614	\$21,473	\$18,614	\$16,098
Average salary of regional peers	\$28,701	\$23,447	\$20,218	\$17,075
Quintile of national peers	3	2	2	2
College of Southern Idaho				
Average salary	\$23,300	\$20,500	\$18,300	\$17,200
Quintile	4	4	4	2
Northern Idaho College				
Average salary	\$20,300	--	--	--
Quintile of regional peers	2	--	--	--

Source: Average salaries and average salaries of regional peers for four-year institutions are from the 1982 Salary Equity Study, Office of the State Board of Education. Average salaries of community colleges are from the 1982 American Association of University Professors survey.

Generally, the higher the position of the Idaho faculty, the lower the salary in relation to the salary level of a comparable individual at a peer institution. The annual differential between the Idaho salary levels of professors in Idaho and those in peer institutions is as high as several thousand dollars. In 1981-82, a professor at the University of Idaho was paid about \$4,000 less than he or she would have earned at a peer institution.

The relatively low salaries paid to faculty in Idaho are making it difficult to hire new staff or to keep those who can find employment elsewhere.

Morale among faculty members is low. Faculty members have left Idaho despite the depressed national economy. As economic conditions improve, the Task Force believes Idaho's colleges and universities will face a critical loss of faculty members frustrated by what they perceive as Idaho's lack of support for its system of higher education and the important role faculty plays, or because they will be attracted to better job opportunities in other states or other fields which will allow them to recoup some of their current disadvantage in pay and position.

A number of factors in addition to salary contribute to the ability of the state to attract and retain highly qualified faculty. Fringe benefits, working conditions and a fair tenure policy also are important components of the necessary climate. Over the last five years, faculty workloads generally have increased, with the result that professors are dealing with more students and have less time to maintain their own skill levels or to devote time to the nurturing of students. In Idaho, little money is available to support faculty travel or sabbatical leaves, which permit faculty to exchange ideas, undertake research or pursue other opportunities to develop their own knowledge and skills.

Tenure, primarily a safeguard of due process and not a guarantee of lifetime employment, is misunderstood by many citizens. Overall, the Task Force has concluded that tenure generally is not abused in Idaho. Some modifications are needed to promote greater flexibility in the tenure system when programs are curtailed or eliminated, and the Task Force endorses the action taken in 1983 to provide this flexibility.

Immediate attention must be paid to faculty salaries and working conditions in order to assure that students have access to high-quality education programs, that research and public service activities of colleges and universities continue to provide valuable information to government and private industry, and that the higher education system contributes to the economic development of Idaho.

Faculty Recommendations

- Idaho should begin immediately to improve the overall salary level of its faculty so they are, at a minimum, competitive with comparable institutions in the region.
- Salary increases should be differentiated by field where necessary to attract and retain quality faculty.
- A meaningful merit component should be included in the salary adjustments once compensation is brought to competitive levels.
- Tenure should be retained, but the state governing board should adopt a policy that would allow release of tenured faculty when programs must be curtailed. The Task Force endorses the efforts of the State Board of Education taken in 1983 with respect to modification of tenure.
- Funds should be increased for faculty travel, sabbatical leaves and educational development.

FACILITIES, BUILDINGS AND EQUIPMENT

In 1983, the State Board of Education with the cooperation of other government and institutional offices concluded a multi-year financial study. Among other things, that study pointed out several deficiencies of critical importance to higher education in Idaho.

Library services and support have suffered significantly from recent budget reductions, to the extent that the library collection of at least one of the leading institutions is the weakest collection of any general purpose school in the intermountain and northwest regions. The library collections of other institutions are also significantly deficient. The library is the heart of any university or college and quality in higher education cannot be achieved without quality in library collections and facilities.

Funds for equipment replacement and facilities and building maintenance also have been curtailed in recent years. Some of the facilities and buildings have not been properly maintained, and some valuable pieces of equipment which are needed to maintain curriculum standards have even become inoperable because funds have not been available for maintenance.

The multi-year financial study also highlighted the shift in higher education to high technology programs and points out the dramatic cost increases which that shift entails. Higher education in Idaho cannot graduate students who will be well educated by any competitive standard unless our institutions keep pace with progress by meeting the increasing demands for high technology competency.

Facilities, Buildings and Equipment Recommendations

- Adopt recommendations of the multi-year financial study, as updated for current costs, for incremental investment in the following:

- Library services and support
 - Equipment replacement, facilities and buildings maintenance
 - Fund the shift to high technology applications in existing programs.

GOVERNANCE

Higher education in Idaho faces important challenges concerning many policy issues such as funding, tuition, student financial aid, admission standards, access, accommodation of student population growth, program review and faculty. Decisions in these areas will determine the quality of education offered by Idaho's public universities and colleges. These issues generally, except for funding, are not the same as those facing primary and secondary education.

Because the Task Force believes these issues will be difficult to resolve and are singularly important to the future of Idaho's citizens and general economic development, it has concluded that a separate governing board for postsecondary education is needed.

Such a board would have a single focus -- higher education. Therefore, its members would become more knowledgeable of the complex activities of colleges and universities. This approach is widely used across the country. In fact, only three (including Idaho) of the 50 states retain a single governing board for all levels of primary, secondary and postsecondary education (see map p. 17).

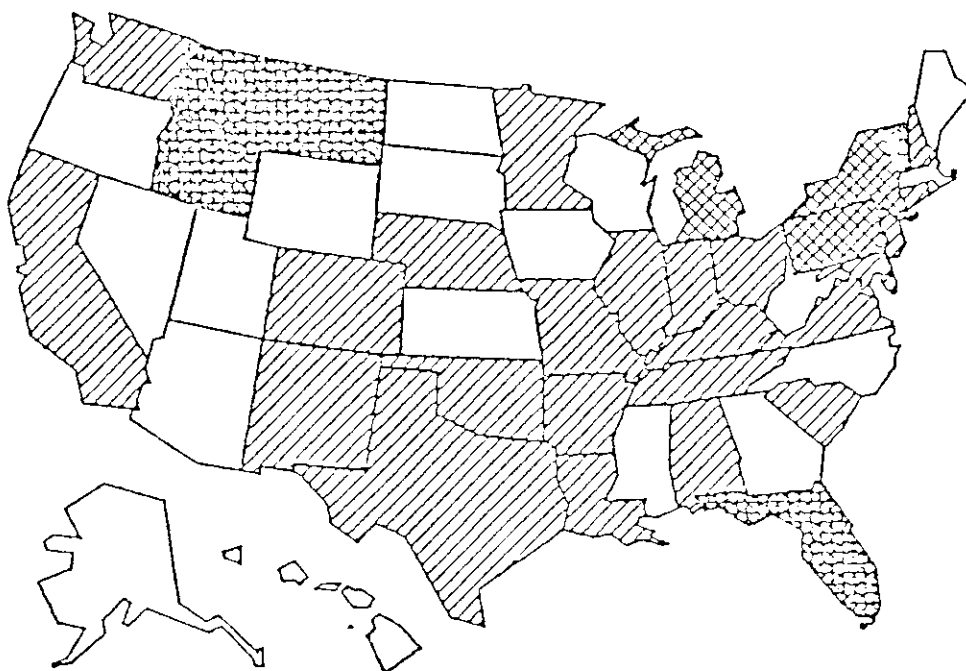
To ask that a single citizen board address the multitude of issues facing primary, secondary and postsecondary education is not reasonable. The current State Board of Education has valiantly tried to consider all issues but simply has not had adequate resources to devote to the challenge. Nor is there any likelihood the situation will change.

The board governing postsecondary education -- the Task Force recommends it be called the Board of Regents -- would be charged with the following responsibilities:

- Retain the executive director and presidents of the three public universities.
- Set broad policy directions through an ongoing state-wide planning process.
- Review and approve/set the role and mission statements for each institution of higher education.
- Prepare and present a consolidated budget for post-secondary education.
- Review and approve new programs and the need for continuing current programs.

1983

GOVERNANCE STRUCTURE FOR HIGHER EDUCATION



LEGEND



Single governing board for all levels of education



Single coordinating board for all levels of education



Governing board for higher education



Coordinating board for higher education, governing boards for each institution.



Planning Agency

- Prepare and advance legislative recommendations as necessary.
- Supervise campus management by oversight (delegate day-to-day management to institutional leaders).
- Be the state's principal voice on statewide post-secondary concerns.
- Coordinate the state's community college system.
- Administer state student financial-aid programs.
- Perform other duties assigned by statute.

This range of responsibilities is substantial. When combined with the policy issues looming ahead, it is an arduous assignment for any part-time volunteer board.

To carry out this task, the Board needs an executive director with broader powers and authority including greater staff support in the areas of planning, fiscal affairs and academic affairs.

Some matters, such as admission requirements, vocational education and teacher preparation, will remain of concern to both the Board of Regents and the Board of Education (which would have responsibility for primary and secondary schools). Some means of jointly addressing these areas needs to be provided so that policies at various levels do not conflict. The Task Force believes a Joint Council on Education, consisting primarily of several members from each board, would accomplish this through periodic meetings to work out approaches to these matters and to provide advice to the respective boards.

In the case of vocational education, the variety and complexity of postsecondary vocational programs as well as the federal procedures governing how vocational funds are allocated indicate the assignment of the State Administrator of Vocational Education and the vocational staff to the Board of Regents to carry out the state's responsibilities in this important area.

Governance Recommendations

- Higher education in Idaho should be governed by a Board of Regents separate from the Board of Education.
- A Joint Council on Education, composed of members of the two boards and principal administrators, should be created to provide advice on matters of concern to both boards.
- The Executive Director of the Board of Regents should have authority comparable to institutional presidents.
- The State Administrator of Vocational Education should be responsible to the Board of Regents.
- The Board of Regents' staff should have responsibility for planning, academic affairs and fiscal affairs and should be larger than the current staff of the State Board of Education dealing with postsecondary education matters.

TUITION

Almost all public institutions of higher education in the United States charge their students tuition and fees. Typically, tuition is maintained at a relatively low level compared to the cost of providing education services to encourage access and in recognition of the relationship between the private and public benefits of a college education. The Carnegie Commission¹ has recommended that tuition be set at about one-third of the cost of education.

Over the last few years, tuition and fee levels across the United States have been increasing rapidly. This has occurred because education expenditures have been rising due to inflation and other sources of institutional revenues, including state appropriations, have not kept pace with inflation. The federal government and most states operate student financial-aid programs which provide funds through grants, loans and work-study opportunities to help those in need. A majority of students attending college receive some form of financial aid to offset the cost of tuition and fees and to promote access to the system. Under Idaho's constitution, it is legally questionable whether tuition may be charged for attendance at the University of Idaho. While this question remains, the Legislature has not permitted tuition to be charged at any of the state's four-year public institutions. Instead, the Legislature has permitted a system of fees; these fees cannot be used for instructional purposes but must be used for other purposes. Students attending community colleges in Idaho pay both tuition and fees.

During the last three years, student charges have increased substantially in Idaho, although in comparison to other western states Idaho's charges are moderate (See Tables 2 and 3). Student charges to attend college in Idaho are less than one-third of the cost of education.

The state operates a very small scholarship program, for which 25 new students are eligible each year. Idaho does not have a state-supported work-study program or a direct student loan program. On the other hand, Idaho has provided a high level of access to its higher education system and recent increases in fee levels have not had a noticeable impact on enrollment levels.

¹Carnegie Commission on Higher Education, Higher Education: Who Pays? Who Benefits? Who Should Pay? June 1973, p. 10, McGraw-Hill Book Company,

Table 2. AVERAGE UNDERGRADUATE RESIDENT TUITION AND REQUIRED FEES
AT PUBLIC FOUR-YEAR INSTITUTIONS IN THE WEST BY STATE
1979-80, 1981-82 and 1982-83

State (Number of Institutions)	1979-80	1981-82	1982-83	Percent Change	
				1 Year	3 Years
ALASKA (3)	\$ 418	\$ 478	\$ 687	43.7%	64.4%
ARIZONA (3)	533	650	710	9.2	33.2
CALIFORNIA					
University of California (9)	741	993	1,200	20.8	61.9
California State University (19)	204	320	441	37.8	116.2
California Maritime Academy (1)	841	892	896	0.4	6.5
COLORADO ^a					
University of Colorado and Colorado State University (2)	844	1,045	1,163	11.3	37.8
Colorado School of Mines	838	1,910	2,272	19.0	171.1
Others (9)	618	778	882	13.4	42.7
HAWAII ^b (3)	365	365	365	-0-	-0-
IDAHO (4)	445	668	791	18.4	77.8
MONTANA					
Universities (2)	600	711	765	7.6	27.5
Colleges (4)	486	587	641	9.2	31.9
NEVADA (2)	705	840	930	10.7	31.9
NEW MEXICO					
University of New Mexico and New Mexico State University (2)	627	733	778	6.1	24.1
Others (4)	480	602	624	3.7	30.0
OREGON ^c					
Universities (3)	855	1,183	1,364	15.3	59.5
Colleges (4)	845	1,187	1,350	13.7	59.8
UTAH (4)	624	761	829	8.9	32.9
WASHINGTON					
University of Washington and Washington State University (2)	687	1,059	1,176	11.0	71.2
Regional Universities and The Evergreen State College (4)	618	867	942	8.7	52.4
WYOMING (1)	592	592	616	4.1	4.1
Total West ^d (87)	541	720	834	15.8	54.2

^aThe University of Colorado Health Sciences Center, which has undergraduate programs, is excluded from these figures.

^bThese figures include the average of upper (\$325) and lower (\$105) division tuition and fees at the University of Hawaii, Hilo.

^cThe Oregon Health Sciences University is excluded from these figures.

^dThis figure is the average of all institutional figures reported in table 6 of the report as described under "Source" below. It does not represent the charges paid by the "average" student.

NOTES: All tuition and required fees are for a regular academic year -- three quarters, two semesters or two trimesters.

Data are derived from table 6 as described under "Source" below, which gives complete data for each western institution.

Source: Tuition and Fees in Public Higher Education in the West, 1982-83 (Boulder, Colo.: Western Interstate Commission for Higher Education, October 1982.)

Table 3. AVERAGE UNDERGRADUATE RESIDENT TUITION AND REQUIRED FEES
AT PUBLIC FOUR-YEAR INSTITUTIONS IN THE WEST, 1982-83

Colorado School of Mines	\$2,272
Oregon (universities)	\$1,364
Oregon (colleges)	\$1,350
University of California	\$1,200
University of Washington/Washington State University	\$1,176
University of Colorado/Colorado State University	\$1,163
Washington (regional universities)	\$942
Nevada	\$930
California Maritime Academy	\$896
Colorado (others)	\$882
THE WEST (average)	\$834
Utah	\$829
/////////IDAHO/////////	\$791
New Mexico	\$778
Montana (universities)	\$765
Arizona	\$710
Alaska	\$687
Montana (colleges)	\$641
Wyoming	\$616
Calif. St. Univ.	\$441
Hawaii	\$365

Source: Tuition and Fees in Public Higher Education in the West, 1982-83, Western Interstate Commission for Higher Education, Boulder, Colorado, October 1982.

The Task Force believes that, as a matter of equity, students should pay their fair share of higher education costs. Since instruction is the service from which students benefit most directly, the students' contributions should be used to defray part of these costs; as indicated, fees cannot be used for this purpose. Therefore, the Task Force recommends that a system of tuition be instituted for the state's four-year institutions. (Tuition is already permitted at the community colleges).

The Task Force recommends that tuition be phased in over a period of several years and be in lieu of all currently charged fees except those for student activities and services.

The Task Force recommends that tuition should in no event exceed one-third of the statewide average cost of education as defined by the governing board for higher education. The statewide average cost of education presently consists of two elements: each student's share of certain mandatory building allocated costs (currently about \$200 per student) and the full cost of undergraduate instruction. The full cost of instruction, determined by the state governing board, includes the direct cost of instruction plus a pro rata share of the cost of physical plant, library, administration and general institutional support. Currently, as determined by the State Board of Education, the pro-rata share of these costs is about \$2,400 per student at the undergraduate level. One-third of the sum of these two components therefore would be about \$866 per student for undergraduate tuition.

In addition to tuition, students would continue to pay fees for activities and services such as intercollegiate athletics, student unions, health insurance and health services. These fees vary at each institution, currently ranging between \$338 at ISU and \$286 at Lewis-Clark State College per academic year and averaging \$304 statewide.

The Task Force further believes tuition should not be used as a device to transfer funding burdens to the students from other public funding sources. There must be a commitment to provide adequate funding from public sources at the time tuition is instituted, and tuition should not be used to cover revenue shortfalls.

Finally, the Task Force believes the state should substantially expand its student financial-aid programs to ensure continued high levels of access to postsecondary education regardless of financial means of the student and to emphasize scholastic attainment. Idaho residents attending Idaho's private institutions of higher education also should be eligible for student financial aid.

Tuition Recommendations

- A constitutional amendment which clearly allows tuition to be charged at all Idaho's public universities should be placed before the electorate.
- Tuition should be phased in over a period of several years and should not exceed one-third of the statewide average cost of education at each level, i.e., undergraduate, graduate, professional.
- Institutions should continue to charge fees to students for special activities such as athletics and laboratories.
- Tuition and fee revenues should be retained by each institution that collects them.
- Tuition should be instituted with a concomitant commitment to provide adequate funding from other public sources.
- Student financial-aid programs should be expanded for students having financial need as well as for those with demonstrated scholastic achievement. Funds for such programs should come from state general funds in an amount equal to at least 20% of annual tuition revenue. Idaho residents attending private institutions in Idaho should be eligible to receive state student financial aid.

ADMISSION STANDARDS

Institutions of higher education offer a wide variety of programs that require students to have differing levels of abstract, verbal and quantitative skills.

- Universities are typically populated by faculty and students who emphasize theoretical approaches to academic disciplines and demand high levels of abstract reasoning ability.
- Community colleges are typically centers of learning for those who emphasize practical applications of knowledge.

Admission standards are used to specify the type and level of academic skills students must have to benefit from the type of education offered. Idaho is one of a handful of states where the only criterion for admission to any public college or university for an Idaho resident is a high school diploma. This criterion is being reviewed in every other state having such a policy. The objective in every case is to assure that students are properly prepared for university-level study.

In Idaho, the Commission on Excellence in Education has recommended the establishment of entrance standards at four-year public institutions. These standards should consist of a combination of high school academic performance, scores from a standardized examination and completion of a specified college preparatory curriculum.

The Task Force endorses this recommendation for Idaho's universities because it believes the adoption of standards will lead to:

- Students being better prepared for university-level work, thus reducing the need for expensive remedial education programs.
- A capability to match a student's abilities and interests with an institution's programs, thus reducing failure rates and the accompanying emotional hardship and wasted resources.
- More efficient use of faculty talents.

The Task Force firmly believes, however, that Idaho's citizens must continue to have open access to higher education. This access should be maintained at community colleges where the standard for admission for Idaho residents should continue to be the high school diploma or its equivalent. Community colleges also are the appropriate places to give students a second chance by providing remedial programs designed to improve reading,

writing and math skills sufficiently to allow students to successfully handle college-level study. These community colleges also can provide continuing educational opportunities for the nontraditional students -- for example, older persons who return to school after an absence of a number of years. All students enrolling in community colleges should be evaluated at the beginning of their college careers so they are placed in courses at the appropriate level.

The Task Force also is concerned that students meet some progress standard. While individual institutions currently have such standards, the Task Force feels that a statewide policy should be adopted. Admission to particular upper division programs should also require the completion of specified lower-division curriculum while maintaining a higher grade-point average.

Admission Standards Recommendations

- Admission standards for all students should be adopted for Idaho's three public universities. Admission decisions should be based on academic performance, secondary school curriculum and standardized test scores.
- Open access to community colleges should be provided to all Idaho high school graduates and nontraditional students.
- Evaluation of academic preparedness should be required for students enrolling in a community college for the first time, for placement purposes.
- A minimum statewide standard, such as completion of lower division study with a "C" average, should be applied to all students entering upper division programs.
- Remedial education should be offered primarily at community colleges. No degree credit should be granted for completion of remedial courses.

INSTITUTIONAL ROLES AND MISSIONS

Today Idaho has seven public institutions of postsecondary education: Three universities, a four-year state college, two community colleges, and a vocational-technical school.

The University of Idaho is the state's land grant university with primary responsibility to undertake basic research in addition to the provision of broad undergraduate and graduate instructional programs of statewide interest.

Both Boise State University (BSU) and Idaho State University (ISU) have evolved from two-year colleges into four-year institutions offering a wide range of undergraduate programs and selected graduate degrees.

Lewis-Clark State College, originally a teacher preparation institution, offers a four-year liberal arts program.

The two community colleges, North Idaho College and the College of Southern Idaho, provide two-year prebaccalaureate programs for their respective regions of the state.

Eastern Idaho Vocational-Technical School offers specialized vocational programs.

Presently, vocational-technical programs are offered at every institution except the University of Idaho. All institutions provide open access to all Idaho residents with a high school diploma.

Postsecondary education fulfills a wide variety of functions including undergraduate and graduate academic instruction, vocational training, professional preparation, basic and applied research, continuing education, remedial education, and community service. A single institution cannot realistically fulfill all of these roles well due to differing levels of student preparation, different objectives of students, different levels of faculty expertise required, and differing purposes of the institutions' curricula. Institutional facilities must be carefully integrated in order to assure that resources are used effectively. It is essential that each institution delineate its role and mission carefully so that limited resources are devoted to achieving high quality for clearly specified functions.

Idaho is highly unusual in the split between upper and lower division students, in part because two of its universities -- BSU and ISU -- offer vocational certificate and associate degree programs as well as academic associate degree programs, offerings typically found only in community colleges.

In 1982, 72% of students attending public four-year institutions in Idaho were enrolled in lower division courses (see Table 4). Typically, in a public four-year institution, students are more evenly split between the upper and lower divisions. Nationally, in 1979, 2.5 million of the 4.9 million students enrolled in public four-year institutions, or 51%, were in the lower division (NCES, Fall Enrollment in Higher Education, 1979).

Table 4. FULL-TIME EQUIVALENT (FTE) UNDERGRADUATE ENROLLMENTS IN IDAHO 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION, 1978-1982¹

	<u>Fall 1978</u>	<u>Fall 1982</u>	<u>Lower Division as a Percent of Total FTE in 1982</u>
University of Idaho			
Lower Division	4,202	4,527	62.6%
Upper Division	2,510	2,701	
Boise State University			
Lower Division	5,558	6,391	77.7%
Upper Division	1,417	1,830	
Idaho State University			
Lower Division	3,529	3,855	73.4%
Upper Division	1,475	1,400	
Lewis-Clark State College			
Lower Division	901	1,258	81.2%
Upper Division	173	291	
Total			
Lower Division	14,190	16,031	72.0%
Upper Division	5,575	6,222	

¹Includes academic and vocational education students.

Source: Office of the State Board of Education

The Task Force believes the unusual split between upper and lower division does not effectively utilize the resources at these institutions, due to the different objectives and needs of the students and faculty, depending on whether they are involved in the usual university program or the community college program.

The Task Force recognizes that Idaho's public four-year institutions currently try to fulfill all these roles to promote a high level of access to higher education in their respective regions of the state. But achievement of this high level of access appears to have resulted in BSU and ISU compromising both their

community college and university academic functions, most particularly the latter. Moreover, this situation results in the state subsidizing the community college functions at both these institutions.

It seems patently unfair to the Task Force that some local communities must support the higher education provided by their community colleges (i.e., North Idaho College and College of Southern Idaho), while similar education services are available with no additional local tax burden in other regions of the state.

It is the opinion of the Task Force that the key to rectifying these problems lies in establishment of a separate community college system, emphasizing open access opportunity, and remedial and vocational-technical education. These functions should be transferred from BSU and ISU. BSU already has an announced objective of becoming an urban university which will not offer the traditional community college programs. The Task Force endorses this objective but notes that if the objective is accomplished without providing a replacement for the community college program, an important region of the state will be without access to the community college type of education opportunity it has had up to now and which provides an important service to the Boise/Nampa/Caldwell area.

While some enrollment shifts are likely as a result of these recommendations, the Task Force does not believe that enrollments at the University of Idaho will change substantially. Two factors contribute to this belief. First, the increased quality of the student body at the University will attract a growing number of superior students who are currently choosing to enroll at institutions outside of Idaho. Second, over time, a significant proportion of secondary students will raise their academic achievements to meet the new standards, a phenomenon that has happened in other states.

In order to assure that the community college function is available statewide, a community college system generally as envisioned by the Legislature in 1965 (Chapter 21, Title 33 of the Idaho Code) should be established. This system should be locally organized, locally governed (with coordination at the state level through the state governing board for postsecondary education) and, in part, locally financed.

This community college system would eventually consist of North Idaho College in Coeur d'Alene; College of Southern Idaho in Twin Falls (both currently organized as junior colleges); Lewis-Clark State College, reorganized as a community college, in Lewiston; a new community college in the Boise/Nampa/Caldwell area; a new community college serving the Pocatello area; and a new community college serving the Idaho Falls area.

The creation of three additional colleges will not lead to Idaho having more colleges, relative to its overall population, than other states of comparable size. Among the 16 states, other than Idaho, with populations of less than two million, 9 states support one public institution or more per 100,000 population (see Table 5). While admittedly a rough measure, the number of institutions per 100,000 population indicates that, even with nine public institutions, Idaho would not be dissimilar from other states having small populations.

Also, in many of these states, there is a much greater number of students in private schools of higher education. In Idaho, only about 7,600 students attend in-state private colleges. Geography is also a major consideration. Idaho has a relatively small population but is the 11th largest state in area of the 50 states, and the proposed community college network will provide regional access. Finally the growth in the students forecast for Idaho over the next two decades should be planned for now.

Table 5. PUBLIC INSTITUTIONS OF HIGHER EDUCATION PER 100,000 PEOPLE IN STATES WITH LESS THAN TWO MILLION POPULATION

State	Population in 1979 (Thousands)	Number of Public Institutions of Higher Education	Institutions per 100,000 People
Alaska	406	11	2.7
Wyoming	450	8	1.8
North Dakota	658	9	1.4
New Mexico	1,242	16	1.3
Vermont	493	6	1.2
Delaware	583	6	1.0
Hawaii	914	9	1.0
IDAHO	906	9 (with recom- mendations)	1.0
Nebraska	1,574	16	1.0
New Hampshire	887	9	1.0
West Virginia	1,879	15	.8
Montana	787	6	.8
Utah	1,367	9	.7
IDAHO	906	6 (current)	.7
Nevada	703	5	.7
South Dakota	689	5	.7
Maine	1,097	6	.6
Rhode Island	929	3	.3

Source: Education Commission of the States, State Postsecondary Education Profiles Handbook, 1981 Edition (Denver, Colo., 1981).

In addition, the Task Force believes the state's four-year institutions and the state governing board should review similar programs offered at more than one institution and consolidate them where it appears appropriate to do so to assure quality and

to better serve the state's needs. Likewise, the Task Force believes some programs could be eliminated if sufficient demand for them does not exist or if quality cannot be assured at reasonable economic cost in relation to the benefit provided, or if the state's overall interests are not served by them.

Institutional Roles and Missions Recommendations

- The role and mission statement of each of Idaho's public colleges and universities should be clarified in order to specify the purposes of each institution. These statements should identify what each institution can do and what it cannot do. Changes in an institution's role and mission should be made only with the approval of the state governing board.
- Role and mission statements should be reviewed by the institution and by the state governing board at least every 3-5 years.
- State-level program review procedures should be strengthened to assure continual evaluation of the need for all programs with a consolidation of some programs where justified and elimination of others.
- Idaho should reaffirm and strengthen its participation in programs that use interstate resource sharing and reciprocity to give Idaho students access to graduate and professional programs that may not be available in-state (such as WICHE's Student Exchange Program, WAMI, and WICHE's Regional Graduate Programs activity).
- A statewide system of public two-year community colleges should be established generally along the lines contemplated by Chapter 21, Title 33 of the Idaho Code adopted by the Legislature in 1965. The Task Force recommends that local funding of a community college be raised through taxes applied equitably throughout the district, rather than by taxes raised in one or two counties within a district -- as in the case of the local support provided for North Idaho College and the College of Southern Idaho.
- Under the current statute, the state is divided into six community college districts. When fully developed, the community college system would consist of six community colleges, one in each district. The system would consist of North Idaho College in Coeur d'Alene; the College of Southern Idaho in Twin Falls; Lewis-Clark State College, reorganized as a community college, in Lewiston; and three new community colleges -- one in the Boise/Nampa/Caldwell area, one in the Pocatello area and one in the Idaho Falls area.
- Lewis-Clark State College should serve as the community college for its district. In addition, LCSC should continue to offer upper division programs with state financial support.

- BSU and ISU should cease offering community college programs over a transitional period of several years. During this time, the districts served by these two institutions would establish community colleges in their respective districts.
- The Eastern Idaho Vocational Technical School would be reorganized as a community college.
- All postsecondary vocational education programs should be delivered through the community college system, as traditionally funded, and with the state coordinating programs.
- The community college serving each district should be governed by a locally elected Board of Trustees.
- Each community college should be funded by tuition, its community college district, the state and traditional federal sources.
- Taxes for the support of community colleges should be applied equitably to all counties within each community college district.
- Community college policies should be coordinated by the state through the state governing board for postsecondary education in such areas as tuition levels, degree offerings and transferability of credits among the colleges and universities.

FUNDING

The Task Force has analyzed and estimated the financial impact and cost of its recommendations. However, it is, of course, difficult to project the exact cost of a plan that will not be implemented fully for many years.

One way of projecting the total incremental cost of all recommendations is to assume hypothetically that all recommendations would be implemented in a single year. It is then possible to compare those costs to the costs of operating the higher education system as it existed in 1982 -- the latest year for which complete financial information is available.

The Task Force estimates that, if all its recommendations had been in place in 1982, the system would have required an additional \$17.7 million in operating revenue above the actual \$102.2 million of expenditures made in 1982 for the higher education system.

- Cost of the recommendation for faculty salaries is placed at \$6 million and at \$2 million for faculty development. These estimates are based on data from the State Board of Education.
- Cost of the recommendation for facilities, building and equipment improvement is estimated at \$9.1 million, including \$3.2 million for equipment replacement, \$2.6 million for library services and support, \$2.9 million in preventive maintenance and \$400,000 for shifts to high-technology applications. These estimates are based on the State Board of Education's multi-year financial study.
- Additional costs relating to governance recommendations would be about \$300,000, including \$200,000 for additional staff.
- The tuition recommendation would produce an estimated \$6.7 million of additional revenue if tuition were at its maximum recommended level. The Task Force has estimated the cost of an expanded student financial aid program arbitrarily at the equivalent of 20% of the new annual tuition revenue, or about \$1.3 million.
- The Task Force sees no additional cost connected with implementing admission standards.
- Net cost of implementing the Task Force recommendations on institutional roles and missions would be about \$5.7 million. This results from an increase of \$14.2 million to operate the community college system; a decrease of \$7.7 million in operating the public four-year institutions (\$3.9 million as a result of reorganizing Lewis-Clark State College as a community college and \$3.8 million from transferring certain lower division students to community colleges); and approximately \$800,000 in savings attributable to program review.

The Task Force recognizes that implementing its community college recommendations will, over a period of years, require construction of some new facilities. This cost will depend on the kind of facilities to be constructed and when those projects are carried out.

The estimated gross incremental cost of \$24.4 million should be shared equitably by three funding sources -- the state, the students and community college districts. New revenue from the tuition recommendation would provide \$6.7 million in revenue leaving an estimated net incremental cost to be funded of \$17.7 million. See Tables 6 and 7.

Table 6. COMPARISON OF ACTUAL FISCAL YEAR 1982 EXPENDITURES TO ESTIMATE OF FISCAL YEAR 1982 EXPENDITURES WHICH WOULD HAVE BEEN REQUIRED IF THE TASK FORCE RECOMMENDATIONS HAD BEEN IN EFFECT IN FISCAL YEAR 1982
(in millions of dollars)

	FY82 EXPENDITURES	FY82 WITH TASK FORCE RECOMMENDATIONS INCLUDED	INCREASE (DECREASE)
Universities, base	\$ 80.0	\$ 76.1	\$ (3.9)
Savings Resulting from Community College System		(3.8)	(3.8)
Faculty Salaries		4.5	4.5
Faculty Development		1.5	1.5
Student Financial Aid		1.1	1.1
Facilities, Buildings & Equipment		7.5	7.5
Savings from Program Review		(.8)	(.8)
Total Universities	\$ 80.0	\$ 86.1	\$ 6.1
Community College, base	\$ 21.7	\$ 35.9	\$ 14.2
Faculty Salaries		1.5	1.5
Faculty Development		.5	.5
Student Financial Aid		.2	.2
Facilities, Buildings & Equipment		1.6	1.6
Total Community Colleges	\$ 21.7	\$ 39.7	\$ 18.0
Board of Education	\$.5	\$.5	\$ -
Board of Regents and Staff		.1	.1
Additional Higher Ed. Staff		.2	.2
Total Board and Staff	\$.5	\$.8	\$.3
Total Expenditures	<u>\$102.2</u>	<u>\$126.6</u>	<u>\$ 24.4</u>

Source: Office of the State Board of Education and Idaho Task Force on Higher Education

Table 7. FISCAL YEAR 1983 FUNDING REQUIRED
IF THE TASK FORCE RECOMMENDATIONS HAD BEEN IN EFFECT
IN FISCAL YEAR 1982 - RECONCILIATION
BY RECOMMENDATION
(in millions of dollars)

	Total Funding Required or (Savings)	Source of Funds	
		State Funds/ Student Fees/Tuition	Community College District
Universities, base	\$ 76.1	\$ 76.1	\$ -
Savings Resulting From			
Community College System	(3.8)	(3.8)	-
Faculty Salaries	4.5	4.5	-
Faculty Development	1.5	1.5	-
Student Financial Aid	1.1	1.1	-
Facilities, Buildings & Equipment	7.5	7.5	-
Savings From Program Review	(.8)	(.8)	-
Total Universities	\$ 86.1	\$ 86.1	\$ -
Community Colleges, base	\$ 35.9	\$ 17.9	\$ 18.0
Faculty Salaries	1.5	.5	1.0
Faculty Development	.5	.2	.3
Student Financial Aid	.2	.1	.1
Facilities, Buildings & Equipment	1.6	.5	1.1
Total Community Colleges	\$ 39.7	\$ 19.2	\$ 20.5
Board of Education	\$.5	\$.5	\$ -
Board of Regents and Staff	.1	.1	-
Additional Higher Ed. Staff	.2	.2	-
Total Board and Staff	\$.8	\$.8	\$ -
Total Funding Required	<u>\$126.6</u>	<u>\$106.1</u>	<u>\$ 20.5</u>
Actual FY 82 Funding	<u>\$102.2</u>	<u>\$ 97.1</u>	<u>\$ 5.1</u>
Total Additional Funding			
Required	\$ 24.4	\$ 9.0	\$ 15.4
Less New Tuition Revenue	<u>6.7</u>	<u>5.8</u>	<u>.9</u>
Net Additional Funding			
Required	<u>\$ 17.7</u>	<u>\$ 3.2</u>	<u>\$ 14.5</u>

Source: Office of the State Board of Education and Idaho Task Force on Higher Education.

Can the state afford to pay the cost associated with the Task Force's recommendations for improving Idaho's system of higher education?

The Task Force believes the state can reasonably afford these costs, for three reasons.

- Implementation of the recommendations is intended to occur over a period of several years, which will spread the costs over time.
- There is every reason to believe that Idaho's economy will improve during this implementation period. As revenues improve, so will the state's ability to fund improvements in the higher education system.
- As improvement in the quality of Idaho's postsecondary education system becomes apparent, additional businesses will be attracted to Idaho which will assist in increasing the state's tax revenue base.
- A Task Force analysis of taxation in the nation and in the 11 western states indicates that Idaho's tax burden is not unduly high when compared to the importance of adequately funding education. See Table 8.

Table 8. IDAHO'S RANKING IN COMPARISON TO
THE 10 OTHER WESTERN STATES AND ALL STATES
ON SELECTED TAX-RELATED ISSUES 1980-81

	Idaho's Ranking in Comparison to 11 Western States	Idaho's Ranking in Comparison to All States
Per Capita Personal Income	8th	36th
Per Capita State and Local Taxes	11th	41st
State and Local Taxes per \$1,000 of Personal Income	11th	41st
Per Capita State and Local Property Taxes	10th	35th
Five-year (1976 to 1981) Comparative State and Local Taxes Per \$1,000 of Personal Income	11th	41st
Utilization of Property Tax Potential	9th	33rd
Utilization of Income Tax Capacity	3rd	17th
Utilization of Sales Tax Potential	9th	39th
Utilization of all State and Local Taxes	10th	42nd

Source: Idaho State Tax Commission Study Based on Fiscal Year 1981.

In its 1983 session, the Idaho legislature increased the state sales tax rate on an interim basis from 3% to 4 1/2%; therefore, the ranking of Idaho would move up in comparison to other states as a result of this action. However, it is still believed to be comparatively low. Moreover, a new initiative was passed in 1982 which provided greater exemptions from property taxes to homeowners; this has caused a further shift of the property tax burden to nonresidential property.

The conclusion reached from a review of this data and information from other sources is that Idaho can afford to consider additional broad-based taxes (including broad-based business-related taxes) to support postsecondary education.

In addition, because the business community's interests in a quality system of higher education are as direct as the interests of the citizenry at large, the business community should be encouraged to continue and increase its support of higher education through gifts, scholarships and contributions. These are becoming an important source of funds to assist with programs in the state.

The cost of these proposals will not be insignificant, but the total incremental cost will be phased in over a period of years as indicated in Part IV. Further, the "cost" -- in terms of human resources -- of not making such an investment in Idaho's future would be incalculable. Progress in our society depends squarely on educating each generation better than its forebearers. Thus, support for higher education can be viewed as a direct investment in human capital.

We . . . call upon citizens to provide the financial support necessary to accomplish these purposes. Excellence costs.² But in the long run, mediocrity costs far more.

Funding Recommendations

Allocation of state financial support must be efficient and equitable. The higher education system must provide reasonable access and equal opportunities to students. It must respect realistic costs of educational programs, while discouraging wasteful duplication among institutions and placing a reasonable burden on the state and its taxpayers.

²A Nation at Risk: A report to the nation and the Secretary of Education by the National Commission on Excellence in Education, April 1983.

The Task Force recommends that Idaho:

- Increase state aid to higher education.
- Increase support for higher education from sources other than state aid. This should include initiation of tuition at four-year institutions (tuition is already charged at the community colleges) and shifting part of the financial burden from the state to community college districts.
- Consider broad-based taxes as sources of additional funding requirements; including broad-based business-related taxes; encourage businesses and individuals to continue to provide support to higher education through gifts and contributions.
- Increase efficiency of the higher education system. Duplicative courses should be eliminated where possible, as should courses with small enrollment and/or graduation rates particularly where they are not cost/benefit effective or compatible with the institution's role and mission.
- Improve the system by which support is allocated among its colleges and universities. The state, through the state postsecondary education governing board, should determine those functions to be performed by its institutions of higher education, then funding sufficient to assure that such functions are carried out in a high-quality manner should be provided. The state should make fundamental decisions about allocating funds to institutions and aid to students, in order to assure the viability of those institutions and the provision of equal opportunities to students. The state should appropriate funds for education in a manner that is consistent over time, predictable, compatible with institutional roles and missions and is sufficiently flexible to promote the effective use of public resources.
- Utilize a formula budgeting approach based on characteristics of programs and institutions. State funds traditionally have been allocated in an incremental manner, based primarily on prior-year expenditures and adjusted to some extent by the statewide cost study and the salary equity study. A formula budgeting approach, which would in part be enrollment-related, would distribute state support in an equitable manner across institutions, while being somewhat sensitive to the varying needs of individual institutions. In line with this recommendation, the State Board of Education has adopted such a formula. The Task Force endorses this action and recommends work be continued to improve this approach.

IV. IMPLEMENTATION OF THE RECOMMENDATIONS

Some of the Task Force recommendations are intended for implementation promptly; some are designed to be implemented over a number of years. The Task Force recognizes that immediate implementation of all the recommendations is neither practical nor warranted. Therefore, it proposes a plan of implementation as follows:

1. The Task Force recommends that in 1984, the Legislature should take action to:
 - Appropriate funds to start the process of achieving parity of faculty salaries and development in Idaho with those at peer institutions in neighboring states; this process should be completed at least within a three-year period.
 - Appropriate funds to begin to eliminate deficiencies in maintenance of facilities, buildings, equipment, replacement library services and support, and to begin the shift to high technology application in existing programs at Idaho's colleges and universities; these deficiencies should be eliminated and the shift funded at least within a three-year period.
 - Submit to the voters a constitutional amendment authorizing tuition at Idaho's public four-year institutions of higher education. Tuition should be phased in over a period of years; should be limited to a maximum of one-third of the statewide average cost of education; and should be initiated only with a concomitant commitment to adequately fund higher education from public sources, too.
 - Submit to the voters a constitutional amendment allowing creation of a Board of Regents separate from the State Board of Education, and adopt legislation creating the new board subject to voter approval of the constitutional amendment.
 - Appropriate funds for additional staff for the state governing board to deal with higher education.
 - Establish a commission including at least members of the Legislature and representatives of the executive branch, the State Board of Education and the institutions involved to develop a plan for implementing the Task Force's community college system recommendations. The commission should address funding, the period of transition required and other issues which will have

to be considered in detail to implement these recommendations. A report of the commission should be submitted to the Legislature for action in 1985.

2. The Task Force recommends that prompt action be taken to:
 - Raise admission standards at the University of Idaho to be fully effective with the start of the 1988 fall semester. This will permit high school students time to prepare themselves to meet the new standards.
 - Seek ways to raise admission standards at BSU and ISU to be effective with the start of the 1988 fall semester; however, until the community college functions are separated from BSU and ISU, the Task Force believes it will be difficult to fully implement admission standards at these universities.

If student enrollment temporarily drops at an institution where admission standards are established, that institution should have its funding formula adjusted temporarily so as not to penalize that institution in the allocation of state funding.

3. The Task Force urges its other recommendations to be implemented as promptly as it is feasible to do so.

V. CONCLUSION

The Task Force believes that the recommendations contained in this report, when implemented, will provide the framework within which Idaho will be able to reverse the trend of deteriorating quality and eliminate current inequities of funding; it will be able to achieve and maintain excellence in the system for decades to come; and will be able to utilize its available resources most effectively.

Respectfully submitted,

IDAHO TASK FORCE ON HIGHER EDUCATION

NOVEMBER 1983

Note:

All supporting material referred to in the text or footnotes of this report and other information, data and statements considered by the Task Force in arriving at its recommendations are available for review. Copies of the Report of the Education Commission of the States to the Idaho Task Force on Higher Education, entitled The Future of Higher Education in Idaho, March 1983, and copies of other available material, can be obtained upon request to the Idaho Task Force on Higher Education, P.O. Box 389, Boise, Idaho 83701, telephone (208) 343-3698.